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M-4411-

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Reference No.
XCE3-876

ATTN : Chief of Procurement and Supply
[redacted] Purchase Division
Assistant Director for Communications

24 April 1953 (PE 411)

25X1

Contracts XG(RD)-726 and RD-35 with [redacted]

25X1

REFERENCES: (A) Letter to Contracting Officer from [redacted] Serial Number 6940, dated 16 February 1953.

25X1
25X1

(B) Memo to Assistant Director for Communications from Contracting Officer, dated 25 February 1953.

(C) Memo to Chief of Procurement and Supply from Assistant Director for Communications, Serial M-649, dated 12 June 1952.

(D) Memo to Chief of Procurement and Supply from Assistant Director for Communications, Serial M-782, dated 24 June 1952.

1. This will confirm the verbal information given [redacted] at your office relative to the increased funds requested in References A and B.

25X1

2. It appears from a review of the files that the $45,000 provided in the FY-52 Office of Communications funds for research facilities (Paragraphs II(e) and IV, Reference C) were never obligated, and the charges for these facilities ($19,000 to date) have accrued against the funds obligated by the Office of Scientific Intelligence for Contract XG-726. No offsetting transfer from OC to OSI was made to cover these expenditures.

3. No funds were obligated for the facilities required since it was estimated that a sufficient surplus in Contract XG-726 would be available to cover the $45,000 needed (Paragraph 1(c), Reference D). However, subsequent requirements by OSI, along with the $19,000 facilities expenditures, depleted the funds of XG-726.

4. From the foregoing it is apparent that the Office of Communications should provide the funds necessary for completion of the research facilities. Since FY-52 funds were not obligated for this purpose, funds not exceeding $26,000 ($45,000 less $19,000 paid) are provided in FY-53 Allotment Number 2995-50-07.

5. Regarding the cost of $11,640 for an additional two thousand hours of engineering time for Item (b) of RD-35 (Page 2, Reference A), approval is

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withheld until the necessity for this expenditure is further substantiated by the Contractor. A discussion will be held with [redacted] regarding this item in the near future. 25X1

[redacted] 25X1

Deputy

cc: OC-P/RDL
OC-P [redacted] 25X1

OC-E/JES

OC-E/RDL/GBG:dl (14 April '53)

COORDINATION:

OC-P/RDL

Distribution:
XG-726
RD-35
PEB (2)
Chrono

OC-2

(cc filed PEB in XG-726 check with ranking)

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